



**COUNCIL OF THE INSPECTORS GENERAL
ON INTEGRITY AND EFFICIENCY**

Fiscal Year 2023

Agency Financial Report



COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

Chairperson's Message

The Council of the Inspectors General on Integrity and Efficiency (CIGIE or Council) was established by the Inspector General Reform Act of 2008. Currently composed of 74 Federal Inspectors General (IGs) and 6 integrity-related senior officials, the Council and its member organizations function as a robust oversight group engaged in issues of nationwide significance. CIGIE's mandated mission is to address integrity, economy, and effectiveness issues that transcend individual Government agencies and to increase the professionalism and effectiveness of the inspector general community.

In this Agency Financial Report (AFR), we discuss CIGIE's fiscal year (FY) 2023 accomplishments in carrying out its mission and performance plan goals; provide the independent auditor's report regarding CIGIE's financial statements as of September 30, 2023; and highlight the work of CIGIE's Executive Council, ten committees including the Pandemic Response Accountability Committee (PRAC), and individual members on cross-cutting issues affecting Federal departments, agencies, and Offices of Inspector General.

The financial audit was performed by Brown & Company; the report reflects financial statements that present fairly the financial position of the organization. This year's report identifies no material weakness.

Brown & Company's opinion letters and audited CIGIE financial statements and notes to the financial statements are included in this AFR. Further information related to CIGIE's assurance as to the accountability and reliability of the financial and performance data presented in this report may be found under the Management Statement of Assurance.

In FY 2023, our work has been strengthened by the efforts of leaders in the IG community; the Office of Management and Budget; Congress; the Government Accountability Office; other Federal agencies, and law enforcement and professional organizations; and private-sector supporters who share a dedication to help improve Government programs by ensuring accountability, efficiency, and oversight.

In particular, we sincerely thank the approximately 14,000 professionals who make up the Federal inspector general community for the work they do every day to ensure the effectiveness and integrity of Federal programs that affect the lives of all Americans.

Mark Lee Greenblatt
Chairperson, CIGIE

November 15, 2023



COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

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COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

Management's Discussion and Analysis Fiscal Year 2023

The Council of the Inspectors General on Integrity and Efficiency (CIGIE or the Council) has chosen to produce an Agency Financial Report (AFR), which is posted on CIGIE's website at www.ignet.gov.

The Council of the Inspectors General on Integrity and Efficiency's Mission and Organization

Mission: The mission of the Council is to address integrity, economy, and effectiveness issues that transcend individual Government agencies; and increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the Offices of Inspectors General.

Organization: The Council is made up of 74 individual Inspectors General (IGs) from both the Executive and Legislative branches and 6 integrity-related senior officials: the Deputy Director for Management (DDM), Office of Management and Budget (OMB); the Deputy Director, Office of Personnel Management; the Special Counsel, Office of the Special Counsel; the Assistant Director of the Criminal Investigative Division, Federal Bureau of Investigation (FBI); the Director, Office of Government Ethics; and the Controller of the Office of Federal Financial Management, OMB. The Deputy Director for Management, Office of Management and Budget, is the Executive Chairperson of the Council. The Council is led by the elected Chairperson, Mark Lee Greenblatt, U.S. Department of the Interior; the Vice Chairperson, Tammy L. Hull, U.S. Postal Service; and the other members of the Executive Council (see the below table).

Executive Council	
Mark Lee Greenblatt, U.S. Department of the Interior	Chairperson
Tammy L. Hull, U.S. Postal Service	Vice Chairperson
Hannibal Ware, Small Business Administration	Audit Committee Chair
Andrew Katsaros, Federal Trade Commission	Budget Committee Chair
Sandra Bruce, Department of Education	Diversity, Equity, Inclusion, and Accessibility
Wendy R. LaGuarda, Farm Credit Administration	Inspection and Evaluation Committee
Kevin H. Winters, Amtrak	Integrity Committee Chair
Michael J. Missal, Department of Veterans Affairs	Investigations Committee Chair
Joaquin Ferrao, Peace Corps	Legislation Committee Chair
Michael E. Horowitz, U.S. Department of Justice	Pandemic Response Accountability Committee
Allison C. Lerner, National Science Foundation	Past Chairperson
Rae Oliver Davis, Department of Housing and Urban Development	Professional Development Committee Chair
Robert P. Storch, Department of Defense	Technology Committee Chair
Parisa Salehi, Export-Import Bank of the United States	At-Large Member

Management’s Discussion and Analysis

CIGIE Committees

CIGIE consists of ten (10) committees, seven (8) of which represent functional responsibilities of the IG community. The ninth, the Integrity Committee, is a statutory committee established by the IG Reform Act of 2008 that serves as an independent and objective investigative mechanism for addressing allegations of misconduct against IGs and their senior staff members. The tenth, the Pandemic Response Accountability Committee (PRAC), is a statutory committee established in the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act and sunsets on September 30, 2025.

The following organizational chart represents the Council’s organizational structure.



Audit Committee

The Audit Committee provides leadership to and serves as a resource for the Federal IG audit community. The Committee sponsors and coordinates audits that address multi-agency or Government-wide issues, maintains professional standards for OIG audit activities, and administers the audit peer review program. It also provides input to the CIGIE Professional Development Committee and the Training Institute on the training and development needs of the CIGIE audit community, and advice to the Chairperson, Vice Chairperson, and Executive Director regarding CIGIE’s contracts for audit services.

Budget Committee

The Budget Committee provides leadership in the development of the Council’s annual Congressional appropriation request by coordinating a transparent process to assess current CIGIE activities and, in consultation with the Chairperson, Vice Chairperson, and Executive Council, presenting a proposed budget to the membership for discussion and adoption. In addition, the Committee serves as the IG Community’s lead in coordinating with the OMB and relevant Congressional committees to establish and maintain a direct annual appropriation to fund Council activities.

Diversity, Equity, Inclusion, and Accessibility Committee

The Diversity, Equity, Inclusion, and Accessibility Committee looks to affirm, advance, and augment CIGIE’s commitment to promote a diverse, equitable, and inclusive workforce and workplace environment and ensure that OIG work products are accessible, whenever possible, to the public.

Management's Discussion and Analysis

Inspection and Evaluation Committee

The Inspection and Evaluation Committee provides leadership for the CIGIE inspection and evaluation community's efforts to improve agency program effectiveness by maintaining professional standards; leading the development of protocols for reviewing management issues that cut across departments and agencies; promoting the use of advanced program evaluation techniques; and fostering awareness of evaluation and inspection practice in OIGs. The Committee provides input to the CIGIE Professional Development Committee and the Training Institute on the training and development needs of the CIGIE inspection and evaluation community.

Integrity Committee

The Integrity Committee is required by the IG Act and has the statutory responsibility to review and refer for investigation allegations of wrongdoing made against CIGIE IGs and their designated staff members. The Committee is chaired by an IG member elected by the other committee members. The Committee consists of four IGs appointed by the Council Chairperson for four-year terms. In addition, the Director of the Office of Government Ethics or designee and the FBI official serving on the Council or designee are also members. The Chief of the Public Integrity Section of the Criminal Division of the Department of Justice, or designee, serves as a legal adviser. In conjunction with the Council Chairperson, the Integrity Committee develops policies and procedures, which are submitted to the congressional committees of jurisdiction.

Under the IG Empowerment Act of 2016, CIGIE is responsible for committee records management and administrative support.

Investigations Committee

The Investigations Committee contributes to improvements in program integrity, efficiency, and cost effectiveness government-wide by providing analysis of investigative issues common to federal agencies. The Committee provides the CIGIE community with guidance, support, and assistance in conducting high quality investigations. It also provides input to the CIGIE Professional Development Committee and the Training Institute on the training and development needs of the CIGIE investigations community.

Legislation Committee

The Legislation Committee ensures that CIGIE is kept abreast of matters in the Congressional arena that are of interest to the IG community. The Committee develops, coordinates, and represents the official IG community positions on legislative issues.

Professional Development Committee

The Professional Development Committee provides educational opportunities, through the Training Institute, for members of the IG community to ensure the development of competent personnel. The Committee receives input from the Audit, Investigations, and Inspection and Evaluation Committees on the training and development needs of the CIGIE community. It also seeks opportunities to improve training methods, enhance the development of OIG staff, and establish training to meet continuing professional educational requirements.

Technology Committee

The Information Technology Committee facilitates effective OIG information technology (IT) audits, evaluations, reviews, and investigations, and provides a vehicle for expressing the IG community's perspective on Government-wide IT operations.

Pandemic Response Accountability Committee

Established in March 2020 by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136), the Pandemic Response Accountability Committee (PRAC) is a Committee of the CIGIE composed of Inspectors General (IGs) identified by Congress, IGs designated by the Chairperson of the Committee, an Executive Director, a Deputy Executive Director, and staff. The PRAC promotes transparency

Management's Discussion and Analysis

and provides Congress, agencies, and the public with objective, reliable information on covered funds – defined as funds, including loans, that are made available in any form to any non-Federal entity, not including individuals, under the CARES act, Families First Coronavirus Response Act, Coronavirus Preparedness and Response Supplemental Appropriations Act, and any other act primarily making appropriations for the coronavirus response and related activities. The PRAC strives to detect fraud, waste, abuse, and mismanagement in federal programs related to the Federal Government's response to the nationwide public health emergency and to programs that provide relief to individuals, large corporations, small businesses, state and local governments, and public services.

The PRAC is scheduled to sunset on September 30, 2025.

Councils, Panels, Roundtables, and Work Groups

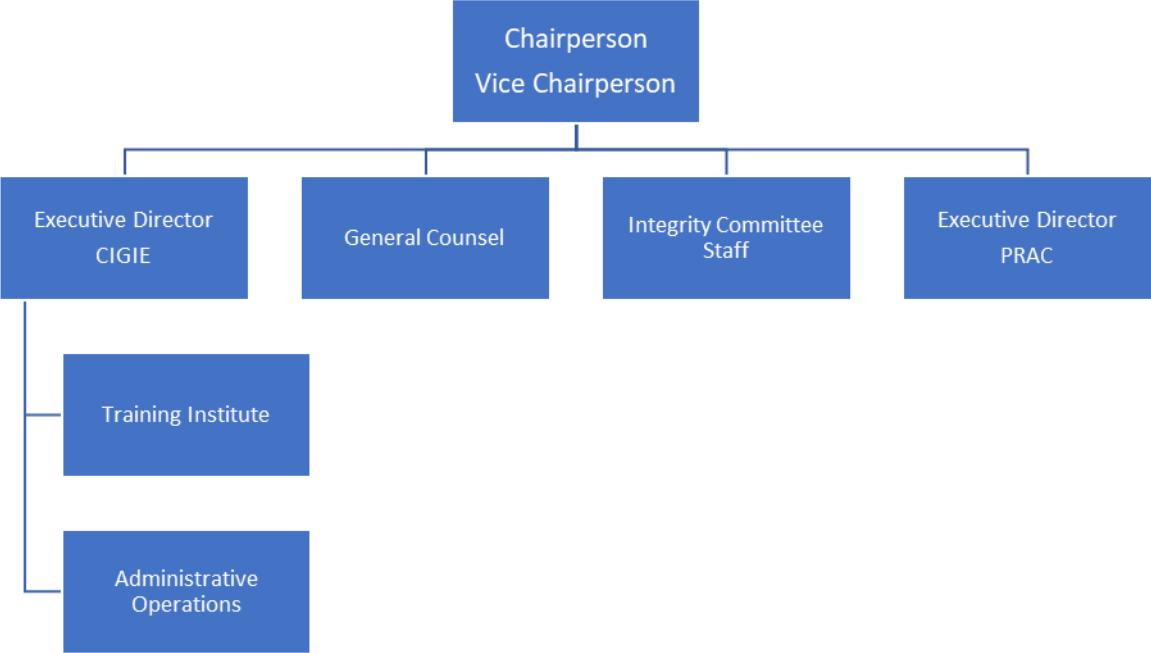
In addition to these nine committees, there are several councils, panels, roundtables, and work groups that are discipline-specific within the IG community or function under the auspices of CIGIE or the standing committees. A few examples of these and their purposes are:

- Federal Audit Executive Council (FAEC) – A council under CIGIE established to discuss and coordinate issues affecting the Federal audit community with special emphasis on audit policy and operations of common interest to CIGIE members.
- Assistant Inspectors General for Investigations (AIGI) Committee – A committee under CIGIE established to serve as a forum for internal discussion and a conduit for suggestions, issues and concerns that affect the OIG investigations community to the CIGIE Investigations Committee for appropriate action.
- IG Candidate Recommendations Panel – A panel under CIGIE which, as required by the IG Act, maintains and submits to appointing officials recommendations of individuals for vacant IG positions.
- Inspections and Evaluations Roundtable – A roundtable that provides support to the Inspection and Evaluation Committee on a myriad of issues pertinent to the inspection and evaluation function with the IG community.
- Suspension and Debarment Working Group – This working group under the Investigations Committee is focused on finding ways to protect taxpayer dollars through expanded and more effective use of suspension and debarment remedies.
- Ombuds Working Group – This working group under the Investigations Committee is focused on myriad of matters associated with the responsibilities of OIG ombudsman.
- Human Resources Roundtable – This roundtable under the Professional Development Committee is focused on myriad of issues pertinent to the OIG's human resources community.
- Council of Counsels to the Inspectors General (CCIG) – Comprised of counsels to IGs, this council discusses issues of common interest generally of a legal nature within the IG community.

Management’s Discussion and Analysis

Staff

The Council is an independent federal entity and maintains its own permanent staff for which the Chairperson provides oversight. Council staff is responsible for supporting the activities of the Council, including, but not limited to, preparing minutes of all Council meetings, drafting Council reports such as the annual report, maintaining the Council’s website and archives, maintaining a Training Institute for the professional training of OIG personnel, and additional functions. The PRAC also maintains a temporary staff to fulfil the responsibilities of the PRAC. Below represents the Council’s staff organizational structure.





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Performance Goals, Objectives, and Results

Executive Summary of High-Level Annual Accomplishments and Achievements:

During FY 2023, CIGIE approved its annual performance plan to guide its activities for the year. The performance plan is associated with [CIGIE's Five-Year Strategic Plan](#) and aligns with agency's strategic goals. CIGIE's performance plan sets out four major business goals and supporting objectives. These goals are: (1) enhanced integrity and strength of Federal programs and operations; (2) a well-trained and highly skilled OIG community; (3) a focal point for collaboration, best practices, and outreach; and (4) an efficient, well-managed organization. The following information reflects CIGIE's accomplishments during FY 2023 as they align with each of these goals.

Goal 1: Enhanced integrity and strength of Federal programs and operations.

Each year, Federal Inspectors General (IG) individually identify and report on the top management and performance challenges (hereinafter referred to as top challenges) facing their respective agencies pursuant to the *Reports Consolidation Act of 2000*. This year, CIGIE developed and published a consolidated report that provided a holistic view of the top challenges facing Federal agencies as identified by those agencies' respective Offices of Inspector General (OIGs). They are as follows:

- Information Technology Security & Management (74% of respondents).
- Human Capital Management (51%).
- Performance Management & Accountability (40%).
- Financial Management (39%).
- Procurement Management (37%).
- Grants Management (37%).
- Homeland Security, Pandemic Recovery, Disaster Preparedness, & Climate Change (17%).

Another CIGIE accomplishment of a cross-cutting nature addressed *Management Challenges of Federal Agencies in Preparing for and Responding to Natural Disasters*, assembled by the Disaster Assistance Working Group. This product summarized the conclusions, findings, and recommendations of 28 reports related to the Federal Government's natural disaster preparedness and response issued by seven Offices of Inspector General (OIGs).

The seven participating OIGs included U.S. Departments of Defense, Health and Human Services, Homeland Security, Housing and Urban Development, Interior, and Transportation and the U.S. Small Business Administration. Many of these reports focused on the Federal Government's preparedness to respond to the devastating 2017 hurricanes. The CIGIE working group's review objective was to inform Federal agencies and the OIG community of the reported conclusions, findings, and recommendations regarding preparing for and responding to natural disasters to assist them in avoiding potential program challenges.

Highlighting these challenges in this fashion facilitates the ability of OIGs to identify opportunities to work collaboratively in addressing them.

Also, as in years past, CIGIE's Pandemic Response Accountability Committee (PRAC) continued to play a key role in fostering the integrity and strength of Federal programs and operations. Of note is their use of advanced analytic tools which make it possible for PRAC data scientists and the PRAC Fraud Task Force to uncover complex fraud schemes reflected in millions of rows of data. This data serves to reveal clusters of fraud where egregious cases of theft occurred, ensuring that those who stole pandemic relief funds are held accountable.



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Additionally, Oversight.gov continues to serve as a focal point for Government transparency and accountability. At the conclusion of FY 2023, 74 Federal OIGs had uploaded over 5,000 reports covering approximately \$79 billion dollars in fraud, waste, and abuse.

Goal 2: A well-trained, diverse and highly skilled OIG community.

The CIGIE Training Institute (TI) enrolled 11,863 learners in FY 2023 (6% increase over prior year). This number represents the equivalent of roughly 85 percent of the entire combined OIG workforce (5% increase over prior year). This year for the first time, and on a limited basis, TI was also able to demonstrate a positive statistical correlation between training and on-the-job performance. In this example, the control group, i.e., a population that had not participated in CIGIE training, rated their ability to successfully perform a set of 14 critical tasks at an average of 66% (low confidence). Post-training, the ratings increased to an average of 93% (high-to-totally confident). This pattern subsequently repeated itself across multiple cohorts of learners. TI will continue to refine and expand its measurement strategy to encompass the entire organization.

The number of learning events offered increased once again, from 114 to 133, an increase of 14%. In-person learning continued to make a comeback, with 35 being conducted, an increase of 84%.

As in past years, TI continued to support capabilities that afforded the OIG workforce access to a broad spectrum of learning opportunities. In FY 2023, that included an expanded coaching and mentoring program; rotational experiences combining learning, apprenticeships, job-shadowing, and stretch assignments; and traditional, formal learning.

Goal 3: A focal point for collaboration, best practices, outreach, and innovation.

CIGIE continues to support a wide array of IG community activities, including the 10 standing committees and their associated subcommittees, as well as approximately 47 other working groups and collaborative bodies of varying sizes and scopes. These entities are dedicated to improving the state of practice within the IG community, addressing significant cross-cutting issues, and increasing awareness in the public domain about the IG mission and responsibilities. Members come from across the IG community and join these organizations according to their functional areas and interests. As a result, the degree of interagency engagement is often high, and outcomes of their efforts have a broad impact.

Highlights from this year's work include:

- CIGIE's Stakeholder Oversight Working Group published a *Toolkit for Considering Equity When Conducting Oversight Work*. The toolkit is designed to assist OIG's with considering equity when conducting oversight work in the following areas: (1) general equity principles, (2) program and policy oversight, (3) data impacts on equity in oversight work, (4) reporting and disseminating information, (5) human capital, (6) contracting and procurement, (7) education, (8) financial, (9) information and communication technology, (10) intelligence, and (11) health equity policy.

In each area, the toolkit identifies relevant considerations for oversight professionals; resources and tools that can be used to address those considerations; and examples of oversight work employing those methodologies. The Toolkit should provide a starting point to inform discussions when planning oversight work and help guide future work involving these 11 areas.

- Development of a Guide for Conducting External Peer Reviews of Inspection and Evaluation Organizations of Federal Offices of Inspectors General. This document provides policy guidance



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for CIGIE members performing external peer reviews of CIGIE organizations that conduct inspections and evaluations (I&E) in accordance with CIGIE's *Quality Standards for Inspection and Evaluation* (Blue Book).

- Production of a *CIGIE Guide for Reports That Identify Non-Governmental Organizations or Business Entities*. This guide was developed to assist OIGs with forming their internal policies to address certain requirements for audit, evaluation, inspection, or other non-investigative reports that specifically identify non-governmental organizations or business entities contained in § 5274 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (Public Law 117-263, 136 Stat. 2395).

Goal 4: An efficient, well-managed organization that is innovative, resilient, and serves as an exemplar for other government organizations.

The Council of the Inspectors General on Integrity and Efficiency (CIGIE or Council) elected the Honorable Mark Lee Greenblatt, IG for the U.S. Department of the Interior (DOI) as its new Chairperson. Tammy L. Hull, IG for the United States Postal Service, was appointed Vice Chairperson (together hereafter referred to as “leadership”). They assumed office in January 2023.

At the beginning of his term, the Chair identified three key pillars, one of which – “Improving CIGIE’s health and performance as an organization” – applied directly to Goal 4. In support of that pillar, and consistent with CIGIE’s Charter, leadership formulated a draft concept of operations for CIGIE’s Executive Council to bring greater definition to institutional roles and responsibilities. While that document is still pending full adoption, its organizing principles have already generated a measure of clarity contributing to improved efficiency and effectiveness.

In the meantime, the planned, ongoing, infrastructure modernization initiative has proceeded apace. The opening of the new fiscal year saw CIGIE formally transition Human Resources and payroll functions to the Interior Business Center (IBC); this afforded the Operations team real-time access to applicable data and reports for the first time ever. In conjunction with this effort, IBC conducted a 100% review and validation of all processes and personnel/payroll records. Consequently, CIGIE ended FY23 with the ability to deliver a set of vastly improved HR/payroll services moving forward and to maintain high confidence in the accuracy of its records.

In parallel, a highly structured regimen of complex, detailed planning and testing was undertaken in preparation for transitioning CIGIE’s financial systems to IBC on October 1, 2023. This required close coordination with multiple IBC offices throughout the year, executing several “parallel tests” to ensure the integrity of processes and data, comprehensive training, and extensive communications with staff. The combined successes of these endeavors foreshadow what is expected to be a smooth transition.

Separately, CIGIE continued to work with the U.S. Equal Employment Opportunity Commission (EEOC) to address the recommendations identified by EEOC. In FY 2023, the Operations team developed and presented the first State of the Agency Report, launched a special emphasis program, completed the first Barrier Analysis, and rolled out Skillsoft training that included EEO training. The steps completed in FY 2023 will continue to move CIGIE closer to EEOC’s model organization.

CIGIE also continued to meet its statutory responsibilities in FY 2023 to include:

- Coordinating OIG activities Governmentwide, including producing cross-cutting studies that mitigate common vulnerabilities and increase economy, efficiency, and effectiveness;



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- Increasing the professionalism and effectiveness of OIG personnel by developing policies, standards, and approaches for establishing a well-trained and highly skilled OIG workforce;
- Maintaining public and business websites for the benefit of the public, stakeholders, and the IG community;
- Responding to inquiries from the public and stakeholders about CIGIE and OIG activities, including complaints and allegations against IGs;
- Administering peer review programs that assess OIG compliance with professional standards; and
- Recommending individuals to the appointing authority when IG vacancies occur.

Analysis of CIGIE's Financial Statements and Stewardship Information

CIGIE prepares annual financial statements in accordance with U.S. generally accepted accounting principles (GAAP) for Federal government entities and subjects the statements to an independent audit to ensure their integrity and reliability in assessing performance. The financial statements and notes are presented on a comparative basis in the required format in accordance with OMB Circular No. A-136, revised, *Financial Reporting Requirements*.

CIGIE obtained its funding in FY 2023 from the carry-over balance of non-expended/non-obligated funds from FY 2022 in its no-year revolving fund, as well as appropriations from Congress and collections associated with training. In 2023, CIGIE operated under its established internal control and financial management systems to ensure accountability of these funds while continuing to build operations to support CIGIE and its mission. These funds are being used to continue: 1) creating the infrastructure necessary to fully support the activities of CIGIE; 2) providing educational and professional development programs to increase the professionalism and effectiveness of the IG community workforce; 3) operating and managing CIGIE's website; and 4) supporting the PRAC

The following table summarizes the significant changes in CIGIE's financial position during FY 2023:

Financial Condition	FY 2023 Balance	FY 2022 Balance	Increase/ (Decrease)	Percentage Difference
Total Assets	\$ 81,343,663	\$ 111,160,398	\$(29,816,735)	-27%
Total Liabilities	\$ 2,243,528	\$ 2,974,562	\$ (731,034)	-25%
Net Position	\$ 79,100,135	\$ 108,185,836	\$(29,085,701)	-27%
Net Cost of Operations	\$ 42,339,178	\$ 32,345,906	\$ 9,993,272	31%
Budgetary Resource	\$ 105,051,476	\$ 133,464,500	\$(28,413,024)	-21%



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The table below summarizes CIGIE's budgetary resource for FY 2023.

Summary of Budgetary Resources For the Year Ending September 30, 2023

Funding:	
FY 2023 Carry Over Balance	\$ 89,152,619
Appropriations (discretionary and mandatory)	850,000
Spending authority from Offsetting Collections	<u>15,048,857</u>
Total Budgetary Resources	<u>\$105,051,476</u>
Status of Budgetary Resources:	
New obligations and upward adjustments (total)	\$ 45,990,485
Unobligated Balances	
Apportioned	<u>59,060,991</u>
Total Status of Budgetary Resources	<u>\$ 105,051,476</u>

For operations other than the PRAC and Oversight.gov, each year CIGIE prepares a projected budget to meet its planned activities. Based on the projected budget and taking into account any excess funds in the revolving fund, member offices are requested to contribute a pro rata rate of their annual funding level towards CIGIE operations that results in the funding necessary to meet CIGIE's projected budget.

Analysis of CIGIE's Systems, Controls, and Legal Compliance

This AFR provides timely information for CIGIE's stakeholders and the public to better understand CIGIE's program and operations. As always, CIGIE is committed to continuing its efforts in bettering its internal controls and maintaining an unqualified audit opinion in future years.

CIGIE management is responsible for establishing and maintaining effective internal controls and, through a reimbursable agreement with the General Services Administration (GSA), financial management systems and accounting support that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). FMFIA is implemented by OMB Circular A-123, revised, *Management's Responsibility for Internal Control*. The objectives of FMFIA are to ensure that CIGIE's controls and systems provide reasonable assurance that:

- obligations and costs are in compliance with applicable laws;
- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;
- revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over assets; and
- programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

Section 2 of the FMFIA requires federal agencies to report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. Section 4 of the FMFIA requires that agencies annually provide assurance on programmatic internal controls and financial management systems, and effectiveness of internal control over financial



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reporting.

Further, the Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government* (known as the Green Book), provides the overall framework for establishing and maintaining an effective internal control system. The Green Book, along with OMB’s Circular A-123, provide guidance on assessing five components that contain a total of 17 principles, that are summarized in the below table:

Component	Principles
Control Environment	<ol style="list-style-type: none"> 1. Demonstrates commitment to integrity and ethical values 2. Exercises oversight responsibility 3. Establishes structure, authority, and responsibility 4. Demonstrates commitment to competence 5. Enforces accountability
Risk Assessment	<ol style="list-style-type: none"> 6. Specifies suitable objectives 7. Identifies and analyzes risk 8. Assesses fraud risk 9. Identifies and analyzes significant change

Component	Principles
Control Activities	<ol style="list-style-type: none"> 10. Selects and develops control activities 11. Selects and develops general controls over technology 12. Deploys through policies and procedures
Information & Communication	<ol style="list-style-type: none"> 13. Uses relevant information 14. Communicates internally 15. Communicates externally
Monitoring	<ol style="list-style-type: none"> 16. Conducts ongoing and/or separate evaluations 17. Evaluates and communicates deficiencies

CIGIE operated during Fiscal Year 2023 with 30 employees, inclusive of permanent and detailed employees, and 66 temporary employees and detailed employees assigned to the PRAC. CIGIE, and its service provider GSA, performs internal control reviews on financial, management, and information systems, and conducts fact-finding activities to support decisions impacting revisions to the Council’s accounting and financial reporting systems. For example, CIGIE initially developed its financial policies and procedures in FY 2010 to ensure internal controls were established to meet the objectives of OMB Circular A-123. Annually, we review our internal controls to see if there is any need for improvement. As of September 30, 2023, CIGIE has partially implemented the recommendations of the prior auditors with full implementation to be achieved in FY 2024. Additionally, we seek feedback from those intimately involved in the day-to-day financial operations of CIGIE to determine if any matters have arisen that reflect a potential weakness in these controls. I can provide reasonable assurance that our internal controls are operating effectively.

Finally, the Accountability of Tax Dollars Act (ATDA) of 2002 requires the preparation of financial statements by the federal agencies that were exempted by the Chief Financial Officers Act of 1990. OMB Circular No. A-136, *Financial Reporting Requirements*, enables agencies to



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consolidate their audited financial statements and other financial and performance reports into one report, the AFR. This report meets the requirements of the Act. In accordance with the ATDA, CIGIE's financial information was audited in FY 2023 by the Certified Public Accounting firm of Brown & Company, which reviewed the FY 2023 financial records and internal controls of the Council and submitted an unmodified audit opinion.

Further, CIGIE relies upon its Federal shared financial service provider as an additional control that lessens the risk of weaknesses in CIGIE's controls. CIGIE uses the financial services of the GSA's Office of Chief Financial Officer (OCFO). The operating effectiveness of the GSA/OCFO's financials, general information technology, accounting operations and payroll controls was examined under Statements on Standards for Attestation Engagements No. 18 (SSAE 18), Quality Control Review of Controls over the Service Provider, issued by the American Institute of Certified Public Accountants (AICPA). An unqualified opinion was issued by GSA/OCFO's independent public accounting firm for the period July 1, 2022 through June 30, 2023. Accordingly, GSA/OCFO was able to provide CIGIE with assurance that the description of controls in the FY 2023 report presents fairly the operating effectiveness of GSA/OCFO controls that were in place as of September 30, 2023, as they relate to key controls relied upon by CIGIE. Based on the results of the evaluation of GSA/OCFO financial systems and controls documented in its SSAE 18 report, CIGIE can provide reasonable assurance that the internal controls over GSA/OCFO's financial reporting were operating effectively and CIGIE's financial management systems complied substantially with Federal financial management system requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level.

Analysis of Entity's Systems, Controls and Legal Compliance

CIGIE's management is responsible for managing risks and establishing and maintaining effective internal control and financial management systems that meet the objectives of Sections 2 and 4 of the FMFIA and the Federal Financial Management Improvement Act (FFMIA). CIGIE conducted an assessment risk and of the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of this evaluation, CIGIE can provide reasonable assurance that its internal controls over the effectiveness and efficiency of operations, reporting, and compliance with applicable laws and regulations as of September 30, 2023, were operating effectively.

Andrew Cannarsa

Andrew M. Cannarsa
Executive Director
November 15, 2023



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Federal Information Security Management Act

The Federal Information Security Management Act of 2002 (FISMA) requires each federal agency to establish and maintain an information security program for all non-national security information and information systems. The Council's information security program includes a process for planning, implementing, evaluating, and documenting remedial action to address any deficiencies in its information security policies, procedures, and practices.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of CIGIE, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of CIGIE in accordance with U.S. generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)



**COUNCIL OF THE INSPECTORS GENERAL
ON INTEGRITY AND EFFICIENCY**

FINANCIAL STATEMENTS

For The Years Ended September 30, 2023 and 2022

Council of the Inspectors General on Integrity and Efficiency
CONSOLIDATED BALANCE SHEETS

As Of September 30, 2023 and 2022
(in dollars)

		2023	2022
Assets:			
Intragovernmental Assets:			
Fund Balance With Treasury	(Note 2)	\$ 72,384,501.62	\$ 97,643,450.57
Accounts Receivable, net	(Note 3)	704,422.31	1,451,664.02
Advances and Prepayments	(Note 4)	8,002,939.40	12,062,413.63
Total Intragovernmental Assets		81,091,863.33	111,157,528.22
Other than Intragovernmental Assets:			
Accounts Receivable, net	(Note 3)	41,610.12	2,869.50
Property, Plant and Equipment, net	(Note 5)	210,189.75	-
Total Other than Intragovernmental Assets		251,799.87	2,869.50
Total Assets		\$ 81,343,663.20	\$ 111,160,397.72
Liabilities:			
Intragovernmental Liabilities:			
Accounts Payable		\$ 157,899.34	\$ 1,227,818.34
Advances from Others and Deferred Revenue		18,700.00	1,200.00
Other Liabilities	(Note 7)	65,112.33	63,950.82
Total Intragovernmental Liabilities		241,711.67	1,292,969.16
Other than Intragovernmental Liabilities:			
Accounts Payable		652,707.10	281,769.41
Federal Employees and Veterans Benefit Payable		1,120,912.95	1,172,353.29
Advances from Others and Deferred Revenue		400.00	-
Other Liabilities	(Note 7)	227,796.15	227,469.77
Total Other than Intragovernmental Liabilities		2,001,816.20	1,681,592.47
Total Liabilities		\$ 2,243,527.87	\$ 2,974,561.63
Net Position:			
Unexpended Appropriations - All Other Funds (Consolidated Totals)		56,005,059.28	86,631,986.10
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		\$ 23,095,076.05	\$ 21,553,849.99
Total Net Position - All Other Funds (Consolidated Totals)		79,100,135.33	108,185,836.09
Total Net Position		\$ 79,100,135.33	\$ 108,185,836.09
Total Liabilities and Net Position		\$ 81,343,663.20	\$ 111,160,397.72

Council of the Inspectors General on Integrity and Efficiency
CONSOLIDATED STATEMENTS OF NET COST

For The Fiscal Years Ended September 30, 2023 and 2022
(in dollars)

	2023	2022
Program Costs:		
Gross Costs	\$ 45,836,348.33	\$ 34,486,193.06
Less: Earned Revenue	<u>3,497,170.07</u>	<u>2,140,286.58</u>
Net Program Costs	<u>42,339,178.26</u>	<u>32,345,906.48</u>
Net Cost of Operations	<u>\$ 42,339,178.26</u>	<u>\$ 32,345,906.48</u>

Council of the Inspectors General on Integrity and Efficiency
CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION
For The Fiscal Years Ended September 30, 2023
(in dollars)

	<u>All Other Funds (Consolidated Totals)</u>	<u>Consolidated Total</u>
Unexpended Appropriations:		
Beginning Balance	\$ 86,631,986.10	\$ 86,631,986.10
Appropriations received	850,000.00	850,000.00
Appropriations used	<u>(31,476,926.82)</u>	<u>(31,476,926.82)</u>
Net Change in Unexpended Appropriations	<u>(30,626,926.82)</u>	<u>(30,626,926.82)</u>
Total Unexpended Appropriations	<u>\$ 56,005,059.28</u>	<u>\$ 56,005,059.28</u>
Cumulative Results from Operations		
Beginning Balances	\$ 21,553,849.99	\$ 21,553,849.99
Appropriations used	31,476,926.82	31,476,926.82
Transfers-in/out without reimbursement (+/-)	11,547,327.66	11,547,327.66
Imputed Financing	856,149.84	856,149.84
Net Cost of Operations	<u>(42,339,178.26)</u>	<u>(42,339,178.26)</u>
Net Change in Cumulative Results of Operations	<u>1,541,226.06</u>	<u>1,541,226.06</u>
Cumulative Results of Operations	<u>23,095,076.05</u>	<u>23,095,076.05</u>
Net Position	<u>\$ 79,100,135.33</u>	<u>\$ 79,100,135.33</u>

Council of the Inspectors General on Integrity and Efficiency
CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION
For The Fiscal Years Ended September 30, 2022
(in dollars)

	All Other Funds (Consolidated Totals)	Consolidated Total
Unexpended Appropriations:		
Beginning Balance	\$ 106,317,917.58	\$ 106,317,917.58
Appropriations received	850,000.00	850,000.00
Appropriations used	<u>(20,535,931.48)</u>	<u>(20,535,931.48)</u>
Net Change in Unexpended Appropriations	<u>(19,685,931.48)</u>	<u>(19,685,931.48)</u>
Total Unexpended Appropriations	<u>\$ 86,631,986.10</u>	<u>\$ 86,631,986.10</u>
Cumulative Results from Operations		
Beginning Balances	\$ 20,502,521.31	\$ 20,502,521.31
Appropriations used	20,535,931.48	20,535,931.48
Transfers -in/out without reimbursement (+/-)	12,374,335.18	12,374,335.18
Imputed Financing	486,968.50	486,968.50
Net Cost of Operations	<u>(32,345,906.48)</u>	<u>(32,345,906.48)</u>
Net Change in Cumulative Results of Operations	<u>1,051,328.68</u>	<u>1,051,328.68</u>
Cumulative Results of Operations	<u>21,553,849.99</u>	<u>21,553,849.99</u>
Net Position	<u>\$ 108,185,836.09</u>	<u>\$ 108,185,836.09</u>

Council of the Inspectors General on Integrity and Efficiency
COMBINED STATEMENTS OF BUDGETARY RESOURCES

For The Fiscal Years Ended September 30, 2023 and 2022
(in dollars)

		<u>2023</u>	<u>2022</u>
		Budgetary	Budgetary
Budgetary resources:			
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	(Note 9)	\$ 89,152,618.19	\$ 118,090,646.29
Appropriations (discretionary and mandatory)		850,000.00	850,000.00
Spending authority from offsetting collections (discretionary and mandatory)		<u>15,048,857.33</u>	<u>14,523,853.84</u>
Total budgetary resources		<u>\$ 105,051,475.52</u>	<u>\$ 133,464,500.13</u>
Status of budgetary resources:			
New obligations and upward adjustments (total)	(Note 10)	<u>\$ 45,990,485.05</u>	<u>\$ 47,965,415.04</u>
Unobligated balance, end of year:			
Apportioned, unexpired account		57,993,306.08	83,380,171.92
Unapportioned, unexpired accounts		<u>1,067,684.39</u>	<u>2,118,913.17</u>
Unexpired unobligated balance, end of year		<u>59,060,990.47</u>	<u>85,499,085.09</u>
Unobligated balance, end of year (total)		<u>59,060,990.47</u>	<u>85,499,085.09</u>
Total budgetary resources		<u>\$ 105,051,475.52</u>	<u>\$ 133,464,500.13</u>
Outlay, net:			
Outlays, net (total) (discretionary and mandatory)		<u>\$ 26,108,949.19</u>	<u>\$ 28,069,390.94</u>
Agency outlays, net (discretionary and mandatory)		<u>\$ 26,108,949.19</u>	<u>\$ 28,069,390.94</u>

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Council of Inspectors General on Integrity and Efficiency (CIGIE) was statutorily established as an independent entity within the executive branch by the "The Inspector General Reform Act of 2008," P.L. 110-409 to 1) address integrity, economy, and effectiveness issues that transcend individual Government agencies, and 2) increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General.

Basis of Presentation

These financial statements have been prepared from the accounting records of the CIGIE in accordance with U.S. Generally Accepted Accounting Principles (GAAP), and the form and content for entity financial statements specified by the office of Management and Budget (OMB) in OMB Circular A-136, *Financial Reporting Requirements*. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants (AICPA).

OMB Circular A-136, revised, requires agencies to prepare financial statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources. The Balance Sheet presents, as of September 30, amounts of future economic benefits owned or managed by CIGIE (assets), amounts owed by CIGIE (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within CIGIE and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual basis of accounting in accordance U.S. GAAP and reported in accordance with OMB Circular A-136. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continues)

Revenues and Other Financing Sources

Majority of CIGIE’s funding is derived from multiple expenditure transfers in from assessment made against other Federal agencies. However, CIGIE also has exchange revenue, which is generated when CIGIE provides goods or services to another Government entity or the Public for a price. In an exchange transaction, each party to the transaction sacrifices value and receives value in return. An example of exchange revenue is the funds received by CIGIE to provide training. Another term for “exchange revenue” is “earned revenue.”

As for other financing sources, certain operating costs of CIGIE are paid out of funds appropriated to other Federal agencies. Specifically, CIGIE records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

Personnel Compensation and Benefits

Salaries and wage of employees are recognized as payroll expenses and related liabilities as earned. These expenses are recognized as a funded liability when accrued.

Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs. An unfunded liability is recognized for earned but unused annual leave, since from a budgetary standpoint, this annual leave will be paid from future appropriations when employees use the leave. The amount accrued is based upon current pay rates for employees. Sick leave and other types of leave that are not vested are expensed when used and no future liability is recognized for these amounts.

CIGIE’s employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. CIGIE and its employees both contribute to these systems. Public Law 112-96, Section 5001, the “Middle Class Tax Relief and Job Creation Act of 2012” divided FERS participants into two categories, FERS employees and FERS-Revised Annuity Employees (FERS-RAE). Employees hired on or after January 1, 2013, with some exceptions, are required to contribute 2.3% more to FERS than FERS employees hired prior to January 1, 2013. Although CIGIE funds a portion of the benefits under CSRS and FERS and makes the necessary payroll withholdings, it does not report assets associated with these benefit plans in accordance with SFFAS 5.

For CSRS employees, CIGIE contributes an amount equal to 7% of the employees’ basic pay to the plan. For FERS employees, CIGIE contributes an amount equal to 13.7% of the employees’ basic pay to the plan. For FERS-RAE and FRAE employees, CIGIE contributes an amount equal to 11.9% of the employees’ basic pay to the plan.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continues)

Both CSRS employees and FERS employees are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a defined contribution retirement plan intended to supplement the benefits provided under CSRS and FERS. For FERS employees, CIGIE contributes an amount equal to 1% of the employee's basic pay to the TSP and matches employee contributions up to an additional 4%. The first 3% of pay that the employee contributes will be matched dollar-for-dollar; the next 2% will be matched at 50 cents on the dollar. Contributions above 5% of the employees pay will not be matched. CSRS employees receive no matching contribution from CIGIE.

OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees government-wide, including CIGIE's employees. CIGIE has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by CIGIE and its covered employees. The estimated cost of pension benefits is based on rates issued by OPM.

Employees are entitled to participate in the Federal Employees Group Life Insurance (FEGLI) Program. Participating employees can obtain "basic life" term life insurance, with the employee paying two-thirds of the cost and CIGIE paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers the FEGLI program and is responsible for the reporting of related liabilities. Each fiscal year, OPM calculates the U.S. Government's service cost for the post-retirement portion of basic life coverage. Because CIGIE's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, CIGIE has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 2 – FUND BALANCE WITH TREASURY

CIGIE’s Fund Balance with Treasury is derived from transfers in from other Federal entities during the fiscal year. CIGIE is a revolving no year fund and no trust or other fund types are used to fund CIGIE’s activities. Accordingly, as a no-year fund, the fund balance at the end of the previous year is carried forward and made available for the next fiscal year.

	2023	2022
A. Fund Balance with Treasury		
Revolving Fund	\$ 24,339,752.94	\$ 23,400,535.39
PRAC	\$ 48,044,748.68	\$ 74,242,915.18
Total	\$ 72,384,501.62	\$ 97,643,450.57
 B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	57,993,306.08	83,380,171.92
b) Unavailable	1,067,684.39	2,118,913.17
c) Unavailable - Accounts Receivable	(704,422.31)	(1,451,664.02)
d) Unavailable - Unfilled Customer Order Without Advance	-	(4,877.08)
2) Obligated Balance not yet Disbursed	14,027,933.46	13,600,906.58
Total	\$ 72,384,501.62	\$ 97,643,450.57

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of the amounts owed to CIGIE as the result of collecting tuition for government employees representing Federal Inspectors General, non-Federal Inspectors General and other state/local government employees and collecting CIGIE-member assessments for the funding of CIGIE operations from Federal Inspectors General and non-Federal Inspectors General. Amounts due from Federal Inspectors General are considered fully collectible. An allowance for uncollectible accounts receivable from non-Federal Inspectors General and other state/local government employees is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay. It was determined that the establishment of an Allowance for Uncollectible Accounts was not necessary as of September 30, 2023 and September 30, 2022.

	2023	2022
Accounts Receivable - Non-Federal	\$ 41,610.12	\$ 2,869.50
Accounts Receivable - Federal	704,422.31	1,451,664.02
	\$ 746,032.43	\$ 1,454,533.52

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 4 – OTHER ASSETS

As of September 30, 2023, the CIGIE has obligations that involve the advancement of funds for services to be provided in the future with the Department of the Interior, National Aeronautics and Space Administration, and the Office of Personnel Management.

	2023	2022
Intragovernmental - Other Assets	\$ 7,951,865.70	\$ 12,062,413.63
Total Assets - Other	\$ 7,951,865.70	\$ 12,062,413.63

NOTE 5 – GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET

As of September 30, 2023, CIGIE shows Equipment with a total cost of \$215,326.60 and a net book value of \$210,189.75. The depreciation expense for FY23 was \$5,136.85 and for FY22 was \$0.

The depreciation calculation method used is Straight Line with a useful life matching the remaining time on the lease contract or seven-years, whichever is less. For Equipment the Straight Line method over seven-years is used. A \$5,000 threshold is used to determine whether leasehold improvements or equipment are capitalized.

	2023	2022
Cost balance, beginning of year	\$ 214,153.64	\$ 214,153.64
Capitized Acquisitions - Equipment	215,326.60	-
Dispositions - Leasehold	(214,153.64)	-
Cost balance, end of year	215,326.60	214,153.64
Accumulated depreciation	(5,136.85)	(214,153.64)
Balance end of year	\$ 210,189.75	\$ -

NOTE 6 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The accrued liabilities of CIGIE are comprised of program expense accruals, payroll accruals and unfunded annual leave earned by employees. Program expense accruals represent expenses that were incurred prior to year-end but were not paid. Similarly, payroll accruals represent payroll expenses that were incurred prior to year-end but were not paid. The only liabilities not covered by budgetary resources is the unfunded leave.

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 6 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES (Continued)

Liabilities as of September 30, 2023, and 2022, consisted of the following:

	2023	2022
Other than Intragovernmental:		
Unfunded leave	\$ 1,111,023.73	\$ 1,162,437.40
Total liabilities not covered by budgetary resources	1,111,023.73	1,162,437.40
Total liabilities covered by budgetary resources	1,132,504.14	1,812,124.23
Total liabilities	\$ 2,243,527.87	\$ 2,974,561.63

NOTE 7 – OTHER LIABILITIES

Other liabilities with the public for the year ended September 30, 2023, and 2022, consist of Accrued Funded Payroll and Leave, Employer Contributions and Payroll Taxes Payable, and Unfunded Leave in the amounts shown below. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable.

	FY 2023		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable	\$ -	\$ 65,112.33	\$ 65,112.33
Total Intragovernmental	-	65,112.33	65,112.33
Other than Intragovernmental			
Accrued Funded Payroll & Leave	-	227,796.15	227,796.15
Total Other than Intragovernmental	-	227,796.15	227,796.15
Total Other Liabilities	\$ -	\$ 292,908.48	\$ 292,908.48
	FY 2022		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable	\$ -	\$ 63,950.82	\$ 63,950.82
Total Intragovernmental	-	63,950.82	63,950.82
Other than Intragovernmental			
Accrued Funded Payroll & Leave	-	227,469.77	227,469.77
Total Other than Intragovernmental	-	227,469.77	227,469.77
Total Other Liabilities	\$ -	\$ 291,420.59	\$ 291,420.59

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 8 – OPERATING LEASE

CIGIE moved office locations in July 2023. The initial occupancy agreement with the General Services Administration (GSA) has not been updated as of November 2023. CIGIE’s lease for its office through GSA extends through March 31, 2032 based on the initial occupancy agreement. The lease is for 11,858 rentable square feet. Based on the initial occupancy agreement and not considering additional rent credits that will be applied once the occupancy agreement is finalized, the future minimum lease payments required under this lease are as follows:

Fiscal Year	Amount
2024	\$ 743,159.24
2025	\$ 753,277.52
2026	\$ 763,699.36
2027	\$ 774,433.85
2028	\$ 785,490.38
2029	\$ 796,878.60
2030	\$ 808,608.46
2031	\$ 820,690.23
2032	\$ 390,117.05 *
Total	\$ 6,636,354.69

* Through March 32, 2032

Rent expense for the years ended September 30, 2023 and 2022 was \$210,353.81 and \$230,871.29 respectively. Rent credits were applied in August and September 2023 for a total of \$168,279.87.

NOTE 9 – NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1st

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2023, and 2022, consisted of the following:

	2023	2022
Unobligated Balance Brought Forward, October 1	85,499,085.09	\$ 115,494,117.56
Recoveries of Prior Year Obligations	3,653,533.10	2,596,528.73
Unobligated Balance From Prior Year Budget Authority, Net	\$ 89,152,618.19	\$ 118,090,646.29

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 10 – APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS

All obligations for CIGIE in fiscal year 2023 and fiscal year 2022 are category B on the SF 132, *Apportionment and Reapportionment Schedule*. Apportioned amounts appear on different groups of lines in the application of budgetary resources of an apportionment. Amounts are identified as Category B in an apportionment by a specific program, project, or activity. The amount of reimbursable new obligations and upward adjustments incurred against amounts apportioned under category B are as follows:

	<u>2023</u>	<u>2022</u>
Reimbursable		
Category B - Administrative (Council Operations)	\$ 10,560,532.79	\$ 8,732,971.53
Category B - Training Institute	5,645,056.66	4,525,139.55
Direct		
Category B - Oversight.gov	1,340,480.18	1,534,000.00
Category B - PRAC	28,444,415.42	33,173,303.96
Total	<u>\$ 45,990,485.05</u>	<u>\$ 47,965,415.04</u>

NOTE 11 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of CIGIE’s budgetary resources obligated for undelivered orders was \$20,917,468.72 and \$23,852,395.98 of September 30, 2023 and 2022, respectively.

	<u>2023</u>	<u>2022</u>
Intragovernmental		
Paid	\$ 7,951,865.70	\$ 12,062,413.6
Unpaid	7,235,962.26	4,354,016.6
Total Intragovernmental	15,187,827.96	16,416,430.3
Public		
Paid	-	-
Unpaid	5,729,640.76	7,435,965.6
Total Public	5,729,640.76	7,435,965.6
Total	<u>\$ 20,917,468.72</u>	<u>\$ 23,852,395.9</u>

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

NOTE 12 – EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources, obligations, distributed offsetting receipts, and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the Budget of the United States Government (Budget). The Budget that will include FY 2023 actual budgetary execution information is scheduled for publication in February 2024, which will be available through OMB’s website at <https://www.whitehouse.gov/omb/budget>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2022 SBR and the related President’s Budget reflected the following:

FY 2022	Budgetary Resources	New Obligations & Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 133,464,500.13	\$ 47,965,415.04	\$ -	\$ 28,069,390.94
Budget of the U.S. Government	132,000,000.00	48,000,000.00	-	28,000,000.00
Difference*	\$ 1,464,500.13	\$ (34,584.96)	\$ -	\$ 69,390.94

* Differences are due to the rounding to the nearest millionth in MAX for the President’s Budget.

NOTE 13 – RECONCILIATION OF NET COST TO OUTLAYS

CIGIE has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

Reconciliation of Net Operating Cost & Net Budgetary Outlays	Intragovernmental	With the Public	Total FY2023
Net Cost			\$42,339,178.26
Components of net cost not part of the budgetary outlays			
Property, plant, and equipment depreciation expense		(5,136.85)	(5,136.85)
Increase/(Decrease) in Assets:			
Accounts receivable, net	(4,806,715.94)	38,740.62	(4,767,975.32)
(Increase)/Decrease in Liabilities:			
Accounts payable	1,069,311.99	(370,937.69)	698,374.30
Federal employee and veteran benefits payable	-	51,440.34	51,440.34
Other Liabilities	(554.50)	(18,226.38)	(18,780.88)
Financing Sources:			
Imputed Cost	(856,149.84)		(856,149.84)
Total Components of net operating cost not part of the budgetary outlays	(4,594,108.29)	(304,119.96)	(4,898,228.25)
Components of the budget outlays that are not part of net operating cost			
Acquisition of capital assets	-	215,326.60	215,326.60
Financing Sources:			
Transfers out (in) without reimbursements	(11,547,327.66)		(11,547,327.66)
Total Components of the budget outlays that are not part of net operating cost	(11,547,327.66)	215,326.60	(11,332,001.06)
Total Net Outlays (Calculated Total)	(16,141,435.95)	(88,793.36)	(16,230,229.31)
Budgetary Agency Outlays, net (SBR 4210)			
Budgetary Agency Outlays, net			\$26,108,948.95

Council of the Inspectors General on Integrity and Efficiency
Notes to Financial Statements
For the Years Ended September 30, 2023, and 2022
(in dollars)

Reconciliation of Net Operating Cost & Net Budgetary Outlays	Intragovernmental	With the Public	Total FY2022
Net Cost			\$ 32,345,906.48
Components of net cost not part of the budgetary outlays			
Increase/(Decrease) in Assets:			
Accounts receivable, net	7,765,948.07	(5,481.67)	7,760,466.40
(Increase)/Decrease in Liabilities:			
Accounts payable	425,124.82	489,672.27	914,797.09
Federal employee and veteran benefits payable	-	(320,742.75)	(320,742.75)
Other Liabilities	15,524.56	214,742.84	230,267.40
Financing Sources:			
Imputed Cost	(486,968.50)		(486,968.50)
Total Components of net operating cost not part of the budgetary outlays	<u>7,719,628.95</u>	<u>378,190.69</u>	<u>8,097,819.64</u>
Components of the budget outlays that are not part of net operating cost			
Financing Sources:			
Transfers out (in) without reimbursements	(12,374,335.18)		(12,374,335.18)
Total Components of the budget outlays that are not part of net operating cost	<u>(12,374,335.18)</u>	<u>-</u>	<u>(12,374,335.18)</u>
Total Net Outlays (Calculated Total)	<u>(4,654,706.23)</u>	<u>378,190.69</u>	<u>(4,276,515.54)</u>
Budgetary Agency Outlays, net (SBR 4210)			
Budgetary Agency Outlays, net			<u><u>\$ 28,069,390.94</u></u>



**COUNCIL OF THE INSPECTORS GENERAL
ON INTEGRITY AND EFFICIENCY**

**Brown & Company CPAs and Management Consulting, PLLC
6401 Golden Triangle Drive
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Greenbelt, MD 20770**



INDEPENDENT AUDITOR'S REPORT

Council of the Inspectors General on Integrity and Efficiency (CIGIE),
Chair, Audit Committee and Executive Director
Washington, D.C.

In our audits of the fiscal year 2023 financial statements of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), we found:

- CIGIE's financial statements as of and for the fiscal year ended September 30, 2023 are presented fairly, in all material respects, in accordance with United States of America (U.S.) generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2023.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI)¹ and other information included with the financial statements²; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements.

The financial statements as of and for the year ended September 30, 2022 were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated November 15, 2022.

Report on the Financial Statements

Opinion

In accordance with the provisions of the Accountability of Tax Dollars Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited CIGIE's financial statements. CIGIE's financial statements comprise the consolidated balance sheets as of September 30, 2023; the related consolidated statements of net cost, changes in net position, and combined budgetary resources for the fiscal year then ended; and the related notes to the financial statements. In our opinion, CIGIE's financial statements present fairly, in all material respects, CIGIE's financial position as of September 30, 2023, and its net costs of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

¹ The RSI consists of Management's Discussion and Analysis and the Statement of Budgetary Resources, which are included with the financial statements.

² Other information consists of information included with the financial statements, other than the RSI, Financial section, and the auditor's report.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CIGIE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

CIGIE management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in CIGIE's audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CIGIE's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management’s responses to the auditor’s inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

CIGIE’s other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in CIGIE’s financial statements. The other information comprises a detailed statement of management assurances and other information as applicable but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audits of CIGIE’s financial statements, we considered CIGIE’s internal control over financial reporting, consistent with our auditor’s responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies³ or to express an opinion on the effectiveness of CIGIE’s internal control over financial reporting. Accordingly,

³ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

we do not express an opinion on the effectiveness of CIGIE's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations. However, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our 2023 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to CIGIE's internal control over financial reporting in accordance with government auditing standards and OMB guidance.

Responsibilities of Management for Internal Control over Financial Reporting

CIGIE management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of CIGIE's financial statements as of and for the fiscal year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered CIGIE's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CIGIE's internal control over financial reporting. Accordingly, we do not express an opinion on CIGIE's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of CIGIE's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of CIGIE's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of CIGIE's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2023 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CIGIE. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

CIGIE management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CIGIE.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

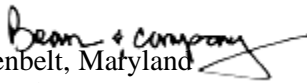
Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to CIGIE that have a direct effect on the determination of material amounts and disclosures in CIGIE's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CIGIE. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Status of Prior Year's Control Deficiency

We have reviewed the status of CIGIE's corrective actions with respect to the finding and recommendation included in the prior year's Independent Auditors' Report, dated November 15, 2023. The status of prior year finding is presented in Exhibit A.


Greenbelt, Maryland
November 15, 2023

STATUS OF PRIOR YEAR’S FINDING AND RECOMMENDATIONS

As required by Government Auditing Standards issued by the Comptroller General of the United States, we have evaluated whether the CIGIE has taken the appropriate corrective action to address the finding and recommendations from the prior year’s financial statements audit that could have a material effect on the financial statements or other financial data significant to the audit objectives. The following table provides the report number where the material weakness was reported, prior recommendations for improvement, and the status of the prior year identified material weakness and recommendation as of the end of FY 2023.

Report	Type	Recommendation	Status
Report No. 2022-1 Annual Financial Statement Fiscal Year 2022	Material Weakness	CIGIE should continue to monitor significant accounts and determine the risks associated with its financial reporting process and develop and document appropriate controls to review and approve those reports and outputs created by their service provider. CIGIE should request access to its data in real time in order to obtain reports and track and maintain appropriate records.	Partially Implemented



**COUNCIL OF THE INSPECTORS GENERAL
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Other Information

Other Information

Summary of the Financial Statement Audit and Management's Assurances

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	1	0	1	0	0

Summary of Management Assurances:

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Restatement	No					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	1	0	1	0	0	0

Conformance with Financial Management Systems Requirements (FMFIA § 4)						
Statement of Assurance	Unmodified ⁴					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformances	0	0	0	0	0	0

⁴ CIGIE uses a Federal shared services provider, the General Services Administration's Office of Chief Financial Officer (GSA/OCFO) for financial systems.

Improper Payments Information Act Reporting Details

The *Improper Payments Information Act (IPIA) of 2002*, as amended by the *Improper Payments Elimination and Recovery Act (IPERA) of 2010*, and further amended by the *Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012*, requires agencies to review all programs and activities they administer and identify those which may be susceptible to significant erroneous payments. In FY 2023, CIGIE performed a systematic review of its program and related activities to identify processes which may be susceptible to significant erroneous payments. Significant erroneous payments are defined as annual erroneous payments in the program exceeding both \$10 million and 2.5 percent or \$100 million of total annual program payments.

CIGIE considered risk factors as outlined in OMB Memorandum M-21-19, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, which may significantly increase the risk of improper payments and determined that none are applicable to CIGIE's operations. Based on the systematic review performed, CIGIE concluded that none of its program activities are susceptible to significant improper payments at or above the threshold levels set by OMB. Accordingly, CIGIE has determined that the risk of improper payments is low. In accordance with OMB guidance, CIGIE will conduct the next assessment in FY 2026. Although CIGIE concluded its programs are not susceptible to improper payments as defined under IPERIA, payments are reviewed as part of its internal control assessment discussed above. The agency reviews its controls and systems under the FMFIA to ensure that the agency remains compliant.